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SUBJECT: UN SEEKS CONCURRENCE FROM U.S. TO TRANSFER PART OF
BALANCE FROM ETHIOPIA/ERITREA BORDER TRUST FUND TO THE
ERITREA-ETHIOPIA BOUNDARY COMMISSION

¶1. This is an action request. See para. 4.

¶2. USUN has faxed to Department (IO/PSC) a note from Assistant Secretary General/Controller for Management Warren Sach, addressed to Ambassador Wolff, dated January 15, 2007 notifying us that the United Nations Trust Fund in support of the delimitation and demarcation of the Ethiopia/Eritrea Border has a balance of approximately \$5.4 million remaining as of December 31, 2006 and proposes that part of the fund balance due to the U.S. Government be transferred to support the activities of the Eritrea-Ethiopia Boundary Commission. If a response is not received by January 31, 2007 Mr. Sach will assume that there is no objection to his proposal. Text of the note follows in para. 3 below.

¶3. Begin Text:

Dear Mr. Ambassador,

I have the honor to refer to the United Nations Trust Fund in support of the delimitation and demarcation of the Ethiopia/Eritrea Border, established under Security Council resolution 1177 of 26 June 1998, and to which your government has been a major contribution since its inception. The expenditures incurred to date amount to US \$7.6 million and there is a balance of approximately US \$5.4 million (inclusive of interest) as of 31 December 2006.

The Eritrea-Ethiopia Boundary Commission was established pursuant to an agreement dated 12 December 2000 (the "December Agreement"). Paragraph 17 of Article 4 of that agreement states that "the expenses of the Commission shall be borne equally by the two parties." For the most part, this arrangement has facilitated the work of the Commission since its inception. During the past year however, this arrangement has faltered and has left the Commission without adequate resources to cover its expenses. As a result of this development, I recently received a request from Sir Elihu Lauterpacht, President of the Boundary Commission to consider making resources from the above-mentioned trust fund available to bridge the shortfall.

In view of the prevailing circumstances, and the fact that paragraph 17 of Article 4 also states that "to defray its expenses, the Commission may accept donations from the United Nations Trust Fund established under paragraph 8 of Security Council resolution 1177 of 26 June 1998", I am writing to seek your concurrence to transfer resources from the trust fund to support the activities of the Commission. The Commission's estimate of its expenses, already incurred and immediate requirements, as at 27 November 2006 amount to \$580,000.

Given the current critical funding situation of the Commission, I would highly appreciate your response by 31 January 2007. If no response is forthcoming by that date, I

would assume that you have no objection to my proposal to use part of the fund balance due to your government to support the activities of the Commission.

Once again I take this opportunity to thank the government of United States for its continued support of the Ethiopia/Eritrea peace process.

Sincerely,

/s/

Warren Sach
Assistant Secretary-General
Controller

End Text

14. Action Requested: Mission requests instructions be provided regarding proposal as noted in text of note in para. 3 above.

WOLFF